IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE SIXTEENTH DAY OF DECEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE SRI JUSTICE C.V.RAMULU

WRIT PETITION No.5651 of 1996

Between:

P.V.S. Sastry, S/o Venkata Ramanaiah,
Reserve Bank, R/o Sanjeevareddy Nagar Colony,
Hyderabad – 38.

..... PETITIONER

AND

1 The Reserve Bank of India,
rep.by its Chief General Manager, Hyderabad
2 The Reserve Bank of India, Department of

Expenditure and Budgetary Control
Central Office, Bombay rep.by its Governor
Bombay.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue a writ, order or direction, more particularly one in the nature of writ of mandamus directing Rule 18(c) of the Reserve Bank of India Housing Loans Rules 1960 and the order contained in the letter No.HY/Est/HL 31 Spl./251/848/95-96 Dt.24/11/1995 read with letter No.HY/Est./HL/31 Spl./1537/95-96 Dt.6/3/1996 as illegal arbitrary and violative of Article 14 of the Constitution of India and further declare that the action of the first respondent in seeking the recovery of a sum of Rs.7,087-15 towards penal interest from the salary of the petitioner at the rate of Rs.1000/- per month commencing from the salary for the month of March-1996 is illegal, contrary to law and without jurisdiction and further direct the respondents not to levy or recover such penal interest.

Counsel for the Petitioner: Mr. M.V.DURGA PRASAD

Counsel for the Respondents: Mr. K.SRINIVASAMURTHY

The Court made the following :

ORAL ORDER:

Heard both sides.

It seems, the petitioner, who was an employee of the respondent-Bank, obtained a loan from the Bank for the purpose of purchase of a housing plot. Thereafter, in instalments, the same was recovered from the salary of the petitioner. The loan was cleared during the year 1994 itself. When the petitioner applied for return of the original documents, which were mortgaged, the Bank had taken an objection saying that since he had not constructed the house within three years from the date of disbursement of the loan, he was supposed to pay the outstanding balance of loan together with penal interest.

Now it is brought to the notice of this Court that after filing of the writ petition, the respondent-Bank addressed a letter dated 27-5-1996 to the petitioner stating as under:

> "Please refer to our letter No.Hy/Est/HL/31 Spl/1537/95-96, dated 4th March 1996 on the above subject.
>
> 2. In this connection, we advise that on reconsideration of the matter, it has been decided not to charge and recover the penal interest on the plot loan sanctioned to you by the Bank earlier."

In view of the above letter, the cause in the writ petition does not survive and the Writ Petition has become infructuous.

Accordingly, the Writ Petition is dismissed as having become infructuous. However, the respondents are directed to return the original documents, which were mortgaged, to the petitioner, if not already returned.

16-12-2004

prk

ASSISTANT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

1 The Chief General Manager, Reserve Bank of India,
Hyderabad
2 The Governor, Reserve Bank of India, Department of

Expenditure and Budgetary Control
Central Office, Bombay.

3. 2CD copies